



**CALIFORNIA HOUSING FINANCE AGENCY
SUBORDINATE LENDER/CalHFA
SUBORDINATE FINANCING AND RESALE CONTROL AGREEMENT**

This Subordinate Lender/CalHFA Subordinate Financing and Resale Control Agreement (the "Agreement") is made and entered into on _____, by and between the California Housing Finance Agency (the "CalHFA") a public instrumentality and a political subdivision of the State of California, and _____ (the "Subordinate Lender").

RECITALS

A. CalHFA intends to make a commitment to provide below-market rate mortgage financing (the "CalHFA Loan(s)") to facilitate the acquisition by low- and moderate-income borrowers (the "Borrower(s)") of single family homes located in _____, _____ County, California and more particularly described as follows (the "Home(s)"): _____

B. Subordinate Lender intends to provide additional financial assistance for such acquisition and/or to impose restrictions on the transfer of the Homes as provided in those certain documents attached hereto and incorporated herein by this reference (collectively the "Subordinate Lender Documents").

C. In order to ensure that the Subordinate Lender Documents (1) are consistent with certain federal tax law requirements relating to CalHFA's tax exempt bond financed loans, and (2) are subordinate to the CalHFA Loan(s), the parties hereto have entered into this Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. *Subordinate Lender Documents.* The Subordinate Lender represents and warrants that all of the financing documents and transfer restrictions which will be imposed on the Borrowers or the Homes by Subordinate Lender or otherwise in connection with the provision of its financial assistance or imposition of its transfer restrictions are included in the documents described herein as the "Subordinate Lender Documents".

2. *Representations to Bond Counsel.* The Subordinate Lender represents and warrants that any factual representations made to CalHFA's bond counsel in connection with the Subordinate Lender Documents are and will be accurate and complete to the best of its knowledge.

3. *Amendment.* The Subordinate Lender Documents shall not be revised or amended without the prior written consent of CalHFA.

4. *Subordination.* The Subordinate Lender Documents shall be subordinate to the CalHFA Loan(s) and foreclosure of any CalHFA deed of trust shall extinguish the Subordinate Lender Documents as encumbrances on the Home being foreclosed. The Subordinate Lender shall take all actions and execute all documents as necessary to cause such subordination and enable CalHFA to obtain title insurance which insures the CalHFA Loans(s) as superior to the Subordinate Lender Documents.

5. *Attorney Fees, Remedies.* In any proceeding to enforce this Agreement, the prevailing party shall be entitled to receive from the other party reasonable attorneys fees and costs. In the event of the inaccuracy or breach of any of the representations, warranties or agreements of Subordinate Lender contained herein CalHFA may pursue any remedies available at law or in equity to redress any damage resulting to CalHFA.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date set forth above.

CALIFORNIA HOUSING FINANCE AGENCY

SUBORDINATE LENDER

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____